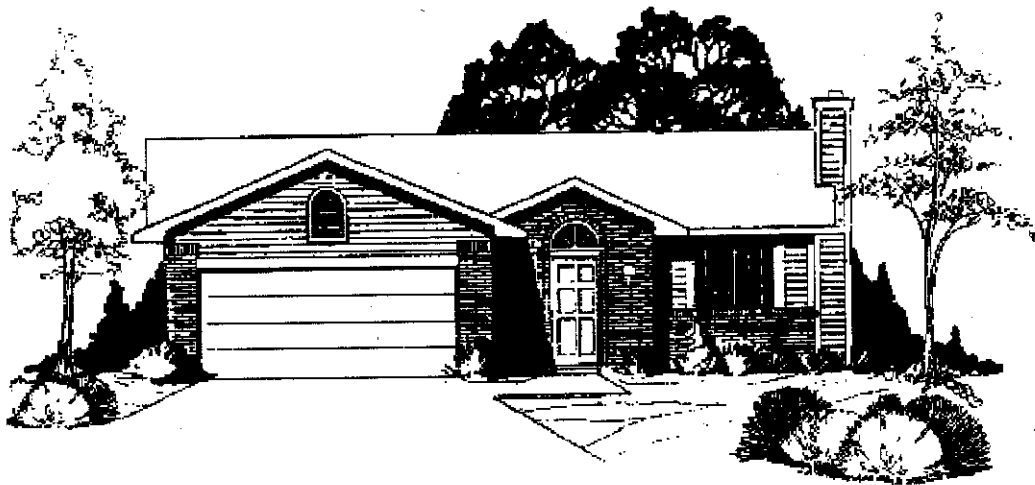


2012 HOUSING REQUIREMENTS MARKET ANALYSIS UPDATE

9 JULY 2013 – FINAL REPORT



**NAVAL AIR WEAPONS STATION CHINA LAKE,
CALIFORNIA**

COMMANDER, NAVY INSTALLATIONS COMMAND

Prepared by ROBERT D. NIEHAUS, INC.

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FINAL REPORT

Prepared for

Naval Air Weapons Station China Lake, California
Commander, Navy Installations Command

Prepared by

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Contract No. N00189-09-D-Z064
Task Order No. 042

RDN Project 236.05

9 July 2013

EXECUTIVE SUMMARY

This Housing Requirements Market Analysis (HRMA) Update evaluates the availability of housing for both military families and unaccompanied military personnel stationed at Naval Air Weapons Station (NAWS) China Lake, meeting Navy and Department of Defense (DoD) standards for affordability, location, quality, and number of bedrooms. This report is based on criteria and methods approved by Commander, Navy Installations Command (CNIC) and reflects current guidance by the Office of the Secretary of Defense (OSD) regarding market analyses for military housing. The principal assumptions and results of the analysis are shown in Table 1 and Table 2.

The unaccompanied housing requirements presented in this report are for informational purposes only. As per Chief of Naval Operations (CNO) guidance regarding the Navy's responsibilities for housing unaccompanied service members, the most recent R-19 report for the installation is the official database of record for determining the unaccompanied housing requirements at the installation (CNO, 2011).

Table 1. 2012 Military Housing Requirements Market Analysis Key Assumptions

Assumptions
1. Use Community Housing First for Projections
2. Market Area Based on 60-Minute Commute
3. Rental Mobile Homes are Inadequate for Military Members
4. 2012 Basic Allowance for Housing (BAH) and 2012 Community Rental Costs
5. One Bedroom Per Family Member for Accompanied; BAH Standard for Unaccompanied
6. Total Personnel and Accompanied Status are from CNIC Budget Year 2015 Manpower Data as of October 2012
7. Unaccompanied E1-E3, and Unaccompanied E4 Personnel with Less Than Four Years of Service Housed On-Base
8. Straight-Line Transition from Current Occupancy of On-Base Housing in 2012 to Floor Requirement in 2017

Table 2. Military Housing Requirements, U.S. Navy, NAWS China Lake, 2012 and 2017

Indicator	2012	2017
Total Permanent-Party Personnel [1]	525	610
Total Military Families	327	398
Base Occupancy in 2012; Floor Requirement in 2017	185	-
Community Housing Demand	142	398
Military Family Homeowners	22	21
Military Family Renters	120	377
Community Housing Shortfall	42	185
Total Military Family Housing Requirement [2]	227	185
Public-Private Venture Housing Inventory [3]	192	192
Deficit/(Surplus) of Military Family Housing	35	(7)
Total Unaccompanied Personnel	192	206
In On-Base Housing	69	72
Community Housing Demand	123	134
Unaccompanied Personnel Homeowners	9	8
Unaccompanied Personnel Renters	114	126
Community Housing Shortfall	40	43
Total Unaccompanied Housing Requirement [4]	109	115

- Notes: [1] Total Permanent Party Personnel include voluntarily-separated personnel which are not shown separately in this table.
 [2] The projected requirement is the sum of the floor requirement and the community housing shortfall.
 [3] Family housing inventory based on data provided by Commander, Navy Installations Command, 2012.
 [4] The unaccompanied housing requirements presented in this report are for informational purposes only.

Sources: Commander, Navy Installations Command, 2012 and estimates prepared for this study.

The following points compare the results of this study to those of the 2009 HRMA Update (Robert D. Niehaus, Inc., 2009):

- The projected 2017 requirement is 185 military family housing units, eight less than the projected 2014 requirement of 193 units in the 2009 HRMA Update.
- The 2017 projection of total active duty permanent party military personnel is 610, which is 35 less than the 2014 projection of 645 personnel in the 2009 HRMA Update. The total projected number of military families in 2017 is 398, which is 16 less than the 2014 projection of 414 families in the 2009 HRMA Update.
- In this analysis, 6.7 percent of families are estimated to be homeowners in the NAWS China Lake area in the current year, and 5.3 percent of families are projected to be homeowners in 2017. The current homeownership rates are based on CNIC (2012) Budget Year 2015 planning documents. Projected homeownership rates reflect projected changes in homeownership affordability over the five-year study period. In the 2009 HRMA Update, 5.1 percent of families were homeowners in the current year, and 4.3 percent of families were homeowners in the projected year.
- Rental housing affordability did not change significantly between the analyses of 2009 and 2012. Over this three-year period, the weighted-average Maximum Acceptable Housing Cost (equal to BAH) increased by 5.4 percent and median rental costs (rent plus utilities plus renter's insurance) increased by 5.9 percent (overall weighted average).